PUBLIC DOCUMENTS. REPORT OF THE SECRETARY OF THE TREASURY. TREASURY. On the list day of July, 1858, being the commencement of the facal year, 1859, the balance in the U. B. Treasury was 66,332,316 10 U. B. Treasury was 66,332,316 10 U. B. Treasury was 1859, were as follows: For the quarter ending September 50, 1858; From customs. \$13,444,50 23 From public limbs. \$21,717 34 From public limbs. \$69,907 36 Press miscellaneous sources. \$65,300 00 From miscellaneous sources....... From Treasury notes Frem losn anthonized by act of June For the quarter ending December 21, 1858; From public lands... from miscellancous from Treasure Treasury notes..... For the quarter ending March 31, 1939 From customs. 6.12 From public lands. 7 rots miscellaneous sources. From Treasury Indies. 7 Prom loan sunfortient by set of June 8,585,000 00 For the quarter ending June 30, 11 313,052 17 7,930,200 00 15,000 00 23,101,452 19 .. #80,751,511 57 sions) ervice of War Department..... ervice of Navy Department..... \$13,751,511 51 210,000 00 +20,618,865 85

The estimated receipts during the thr quarters of the current fiscel year a From Custems..... From Public Lands... From Treasury Notes.

From Loan authorized by act of June 14, 1854...... 1,170,500 00 Making the aggregate of ascertained and estimated means for the current fiscal year, ending June 30, he expenditures for the first quarter of the cur-rent fiscal year, 1000, that ending Sept. 30, 1850. were: or civil, foreign intercourse, and miscellaneous. \$4,748,130 89 or service of interior Department, (Indians and

Total

The probable expenditures from appropriations bereafore made by law, during the three remaining quarters of the current fiscal year to June 30, 1860, are estimated at ting this aggregate expenditure from the a ate of the before estimated means for it ent fiscal year 1869, will leave an estimate nee in the Fressury on the 30th June, 186

timated receipts from public lands from July 1, 1960, to June 30, 1861. 4,000,000.00 mated receipts from mtscellaneous sources m July 1, 1860, to June 30, 1861.....

15 262 414 75

meled expenditures from new appropriations 46,278,893 56 Total.

educting the aggregate estimated expenditures from the aggregate estimated receipts into the Treasury during the facel year from July 1, 1800, to June 30, 1861 as above stated, the estimated balance will remain in the Treasury on the 30th June, 1701, of #86,714,935 79

promise to Secretary Cobb, and leads-him to regard with great satisfaction the constant shipments abroad which we are making of our specie.

Mr. Cobb predicts with all confidence that there will

be a continued increase of the business of the country, and that the receipts into the Treasury for the coming year will fully equal his estimates.

Anticipating the possibility of the expenditure by Congress of more money than he has estimated for, the Secretary exmestly advises the meeting of the obligations upon the Trensury to be created by such legis-lation, by an increase of the Tariff duties. He is dead against borrowing for that purpose.

The estimates contemplate a reduction of expendi-

ture in every department of the public service. In that of the Treasury, they have been reduced in the item of Revenue collection of \$500,000 over and above what they were reduced last year. We have two public debts-a permanent one and a

temporary. The permanent now is \$45,155,977 66; the temporary was \$15,046,800 on the 30th June last. The authority for reissuing the \$20,000,000 Treasury Notes will expire on the 30th of June, 1860, and unless the notes are paid, that will have to be extended by net of Congress. The Secretary renews, with heartiness, his recom-

mendation of a uniform system of weights and measares, and a uniform unit and currency, to be adopted by the leading commercial countries of the world.

He repeats his recommendations of last year upon the subject of deposits by disbursing agents. The estimates for the Treasury Extension, and the Charleston and New-Orleans Custom-Houses, have been restricted to the sum necessary to keep them from injury by the weather in their unfinished condi-

The Secretary presses again upon Congress the views he urged in his last year's report in regard to the Marine Hospitals.

Preparations are making to commence the other public buildings authorized by Congress at its last session, so soon as the condition of the Treasury will per-

The necessity of legislation to confer full title to, and jurisdiction over, the Louisville and Portland Canal, insferred by Kentucky to the United States, closes the Treasury Report of 1859.

REPORT OF THE POSTMASTER-GENERAL.

Mr. Holt opens his report with a tribute to the contractors and others, who, when the apprepriation wallest, and the Department about to go to the dogs "everywhere manifested a determination to acet the "emergency with courage, and with a lofty, public "spirit." Through their assistance "every duty pertaining to the transmission and delivery of the mails has been performed as cordially and faithfully, during the last rine months, as at any former period." He fears that these public-spirited people have been forced to dispose of their claims upon the Government at great loss, and unges upon Congress to make an early appropriation to meet all outstanding claims, with interest. The expenditures of the fiscal year, ending June 30, 1859, were \$15,754,092 89, of which \$11,458,683 63 was paid, leaving unpaid, owing to the failure of the appropriation, \$4,296,009 26. This sun includes \$789,599 56 appropriated by special acts of Congress out of the General Treasury, which, being deducted, feaves the actual [pail] expenditures \$10,68,484 67, instead of \$11,458,083 63, and the total of expenditures and liabilities \$14,964,493 33, instead of \$15,754,092 89. REPORT OF THE POSTMASTER-GENERAL.

If there be added to \$11,458,083 63 the sum of \$55.26, closed by suspense, and the sum of \$627.26 gained on the bad debt account be subtracted, then the actual expenditures, as adjusted in the Auditor's Office, will be \$11,457,512.33.

The gross revenue for the year 1859, including receipts from letter-carriers and from foreign postages, amounted to \$7,908, 484 07, as stated below:

leaving a deficiency of \$5,888,424 04. The Postmassersus:

The above estimates are increased by the cost of mail routes between New-York and San Francisco and Olympia \$372,500, which have heretofore been provided for by special appropriations, and paid by the Navy Department.

The deficiency for 1861 is estimated at \$5,988,424 04, upon the assumption that the measures of reform recommended in this report will not be adopted by Congress. Should they, however, all receive the sanction of that body during the approaching session, it is believed, as hereafter shown, that the deficiency for that year would not exceed \$1,342,473 90.

The following transportation statistics are embraced in the report:

On t. e. 30th of June last, there were in operation 8,723 mail routes. The number of contractors was

The length of these routes is estimated at 260,052 miles divided as follows, viz: The total annual transportation of mails was 82,308,402 miles, costing \$9,468,757, and divided as follows:

...23,448,398

ditional in cost.

The new contracts commencing July 1, and embracing the States of Virginia, North Carolina, South Carolina, Georgia and Florida, compared with the service on the 3th of June last, in the same States, the length of the routes, by railroads and inferior modes, is increased 974 miles, and by steamboat and coach is diminished 6,242 miles; the annual transportation is diminished 943,574 miles.

The whose number of post-offices in the United States on appears of the states of

943,574 miles.
The w_ose number of post-offices in the United States on the Soth June, 1856, was.

Z. Number that were established during the year unding June 30, 1856.

Number that were discontinued.

Ret increase of offices during the year.

Whole number of post-offices on the 30th June, 1820. Number of offices of which the names and sites

This estimated balance, however, will be reduced by claims that have got to be paid, and which are now pressing upon Mr. Cobb from the Post-Office Department and the Department of the Interior, amounting to \$10,361,683. In June, 1861, therefore, the Federal Treasury will be drawn down to \$3,530,196 61, provided Congress confines itself to the narrow channel of experditure marked out for it by Mr. Cobb. Otherwise it will be empty.

The imports during the fiscal year have amounted to \$336,789,462. The excess of \$18,021,332 of exports over imports, is full of encouragement and promise to Secretary Cobb, and local the of economy, and as a means of preventing frauds, it was yet more desirable for the acceleration of the mails. Offices of this description were formerly a very valuable, and, in fact, indispensable element in the postal system of the country, owing to its vast extent, and the rapidity with which population spread into new districts. But, as the country has become populated, the necessity for these guides to distant points has measurably ecased; and in proportion as railways have become carriers of mails, and have yielded to the public demand for ceaseless motion, has it become impossible for the process of "distribution" to be maintained, without subjecting the correspondence of the country, charged with its commercial and political intelligence, and its social sympathies, to frequent and unwarrantable delays.

The whole number of dead letters during the last fiscal year is estimated at 2,500,000, including about 500,000 "drop letters" and 50,000 "held for postage." Deducting these two classes, the number of letters actually conveyed in the mails, and failing to reach the persons addressed, may be estimated at less than two millions (2,000,000) a year. More than fifty per cent of the entire accumulation of dead letters occurs at about 40 out of the 28,539 Post-Offices, including, of course, the large cities and towns. It is ratisfactorily established in the large majority of cases, that the

about 40 out of the 28,539 Post-Offices, including, of course, the large cities and towns. It is satisfactorily established, in the large majority of cases, that the fault of the failure of letters to reach their destination is with the writers themselves either in misdirecting or illegibly directing their communications. From what is alrendy known, it is assumed that one million of letters become "dead" from causes entirely beyond the control of this Department or of any Legislation. Something to provide for returning these letters sooner, and in larger numbers than at present to the writers should be done, but for the present the Postmaster withholds his suggestions upon the subject, merely observing that as the system in the dead-letter office has remained unchanged since the organization of the Department in 1836, there is plenty of room for improvement.

mprovement.
The whole number of dead letters, containing money. The whole number of dead letters, containing money, registered and sent out during the year ending Jane 39, 1859, was 9,726, of which 8,574 were delivered, leaving 1,152 unclaimed. The whole amount of money received was \$45,718 14; amount restored to owners, \$41,143.74. The amount of the inclosures was \$2,502,-288 11; the amount of the inclosures in sterling was £6,983 15/5; the amount of the inclosures in france was 104,421. The number of dead letters returned (uncested) to foreign countries during the first of the second of the contract of the second of the contract of the second o was 194,421. The number of dead letters returned (unopened) to foreign countries during the last fiscal year was 138,581, divided as follows, viz.: England, 60,310; France, 15,757; Frussia, 18,409; Bremen, 6,919; Hamburg, 1,401; Canada, 17,537; New-Brunswick, 1,780; Noya-Scotia, 1,868.

Nova-Scotia, 1,868.

Mr. Holt speaks thus of the Penny Post:

"The system of delivering letters by carriers at the domicil of the citizen was recognized by the act of the 3d of March, 1825, and has, within a few years, been 3d of March, 1825, and has, within a few years, been successfully introduced into several of our principal cities. Though constant endeavors have been made to improve it, it is still imperfect in its details, and unsatisfactory, alike to the public and to the Department, in its operations. The system cannot be regarded as having accomplished the object of its establishment, so long as it does not command and deliver the local correspondence of the different cities in which it exists, which, thus far, it has wholly failed to do."

spondence of the different cities in which it exists, which, thus far, it has wholly failed to do."

The Postmaster confesses that this service is now performed by private Expresses cheaper than the Government could undertake it. He, therefore, recommends that so much of the act of 1825 as relates to "drop letters," to be delivered by carriers, be repealed, so far as requiring the system to be telf-supporting.

He adds: This would not result in any perceptible diminution of the postal revenues, inasmuch as the correspondence which would be thus secured by the Department does not now pass through its offices. I is true that the Postmaster-General might in his discretion arrest the operation of these private expresses by declaring the streets and avenues of the cuties to which they belong to be post-roads; but until the Department is prepared to deliver city letters as chesply and promptly as such companies can possibly do, I should regard the exercise of this power as unwise, if not harsh and oppressive. Another motive for peristent effort on the part of this Department to render

the delivery by carriers as perfect as possible is found in the fact that the box system is being rapidly outgrown by the population of our principal cities, and must finally be abandoned, as it has been in European capitals. There are at present but about 4,000 boxes in the Post-Office of New-York, and yet even this number leads to much confusion and inaccuracy in the distribution and delivery of mail matter. Was the number augmented to 10,000—which would not more than meet the present ever-increasing demand—it is manifest that no memory would be equal to the task of associating the names with the appropriate boxes, and that the practical working of the system would become impossible.

Under the act of 1825, every " printer of newspap impossible.

Under the act of 1825, every "printer of newspapers "is allowed to send one paper to each and every other "printer of newspapers within the United States free "orinter of newspapers within the United States free "of postage." The, the Postmaster says, imposes in the aggregate a heavy and unjust burden on the Department, more onerous in his opinion than the franking privilege, since the latter professes to be exercised on behalf of the public, while the free exchange of newspapers he regards as the advancement of a purely private and personal interest. If the press is to be subsidized to the extent of its postages by Government, he thinks such subsidy should be contributed by the common Treasury, instead of being imposed upon the oppressed revenues of the Post-Office Department. The privilege of circulating weekly country newspapers within the limits of the county in which they are published is, he thinks, even more objectionable than the free editorial exchange.

pers within the limits of the county in which they are published is, he thinks, even more objectionable than the free editorial exchange.

The practice of giving fat mail contracts to help maintain steamship, stage-coach, railroad, or steamboat lines is reprobated. He says:

"There are those who maintain that the adjustment of the mail service should be made subservient, if not subordinate, to the interests of commerce and travel, and that the rapid and cheap conveyance of passengers, and the support of railroad, steamboat, and stage companies, should be as carefully looked to and as anxiously provided for by the Department as the transportation of the mails. This is a fatal failacy, whose batter fruits may now be seen in the enormous sums paid to these companies for mails, some of which are so light as scarcely to yield a revenue sufficient to defray the expense of carrying them on horseback, merely that the owners of these lines may be enriched, and that the public may have easy, certain, and economical modes of conveyance for themselves, their baggage, and their goods. Every dollar appropriated for such purposes is a perversion and abuse of the postal fund, and every one of the extravagant and semi-sommercial contracts deprives whole communities in other sections of the country of the mail facilities to which they are emitled." Therefore Mr. Holt says he means, in all future lettings "of contracts for the transportation of the "mail, to let the same, in every case, to the lo west bid der tendering sufficient guarantees for faithful performance, without other reference to the mode of such transportation than may be accessary to provide for the dwe celerity, certainty, and security of such transportation."

The experimental employment of express agents on

"transportation than may be accessary to provide for
"the due celerity, certainty, and security of such
"transportation."

The experimental employment of express agents on
the great routes not succeeding, the baggage-masters
have been successfully substituted, at an annual saving
of \$19,100. In relation to the high rates charged by
railroad companies for carrying the mails, accompanied
and delivered as they are by the agents of the Department, the service performed by the road is little beyond that which it performs for the shipper of a barrel
of flour or a sack of grain. Why, then, is a compensation exacted for this service which is so exorbitant
as compared with what would be demanded of a private citizen for the conveyance of a similar amount of
freight? The average cost on our railroads for transportation alone hest year varied from \$50 to \$375 a
mile. In Canada the compensation paid to the railroads for the conveyance of the mail is \$30 per mile
for day, and \$40 per mile for night service, and \$70
when the two services are combined. For this a separaic car is furnished, which is fitted up as a traveling
post office, and serves for sorting and distributing the
mails by the way. If the mails are sent as ordinary
freight, under the guard of either an agent of the
company or of the post-office, the charge is but two
cents per mile when the weight does not exceed two
hundred pounds, and for any additional weight, payment is made in the same proportion. No resson
is perceived why, except upon our great trunk routes,
a higher rate of compensation should be submitted '9
by our Government than is paid by that of Canada.
Even on this latter class of roads the present rates are
much too high, but on the remainder, where the mails
are light, they are oppressively extravagant. The
rapid multiplication of railroads—on all of which the
law provides that the mails shall be carried—is constantly increasing the evil complained of. These roads
are in every direction penetrating comparatively
sparsely popula

found in an amendment of the act of March 3, 1845, which I would respectfully urge upon the consideration of Congress. A reduction of 33 1-3 per cent upon the maximum rates fixed by that act would still leave a very liberal compensation to this class of contractors.

Mr. Holt complains that of the 318 railroad routes in the United States, there are 137 on which the mails are transported without contract. These routes are the most important from their length and the weight of the mails transmitted upon them, and yet the incorporated companies controlling them peremptorily refuse to enter into those engagements with the department which the law and the highest interests of the postal service demand. The consequence has been that they have carried the mails when and as they pleased, departing and arriving at such hours, and moving at such speed, as was agreeable to them. To obviate this difficulty the Postmaster intends to invite proposals from the several railroad companies, and to notify them that on several railroad companies, and to notify them that on and after March 31, 1860, they must enter into formal agreements containing the usual stipulations with the

department.

In regard to the Portland and New-Orleans mail, the following table will exhibit the average period occupied in its conveyance between New-York and New-Orleans during the past year, as well as the number of failures to arrive within schedule time on the two outes designated:

Soute Western, via Knozville.—Schedule time, 5 days. Actual time, b days 22] hours. Arrivals in schedule time, 241. Arrivals out of schedule time, 389.

Attualte, via Wimington.—Schedule time, 5] days. Actual average, 6 days is hours. Arrivals in schedule time, 403. Arrivals out of schedule time, 226.

vals out of schedule time, 226.

The Postmaster leaves it to Congress to say which
of the four routes proposed for this mail shall be se-

ected. The Mississippi River mail service, between St. Paul and New-Orleans, was performed during the past year at an aggregate cost of \$328,278. Its earnings were to at an aggregate cost of \$228,278. Its earnings were to inconsiderable to be the subject of serious comment. The Department, we are told, opposed this route as a waste of its revenues; but Congress commanded, and the Post-Office obeyed. Since the passage of the act referred to, more than \$1,300,000 have been expended in the transportation of these river mail. With a return so light as scarcely to justify the designation of the expenditure as postal in its character. For a time, it is true, the route porcessed some importance, because of the through mails which passed over it; but, from the commettion of various railroads, these through the completion of various railroads, these through mails are now conveyed by land, and, in consequence, the river route has become essentially local, and sup-plies only the small offices along the banks of the Misplies only the small offices along the banks of the Mississippi. All the large towns are or will be supplied in advance by lateral mails carried on the railroads. It is believed that the service could be performed for one-fourth of the sum which it now costs, were the Department permitted to contract for it by the trip. A reduction amounting to \$47,213 hgs been made above the mouth of the Ohio, and, were a corresponding reduction made between Cairo and New-Orleans, the expenditure would be still greater than the revenue from the route would justify. This case is cited as illustrative of the disastrous results arising from Congress taking all discretion from the Department.

Of the Pacific mails, the Postmaster says. "On tak-

of the Pacific mails, the Postmaster says: "On tak-ing charge of this Department, I found established and in full operation six different routes for convey-ing the mails to and from Catifornia and our other Pacific possessions, viz:

1. From New-York and New-Orleans, via Parama, to San Francisco, a 23,250 00 \$299,972 69 2. From New-Orleans to San Francisco via Tehuantepec, semi-mouthly... 250,000 00 5,276 60 S. From San Antonio, via El Paso, to San Diego, semi-mouthly (weekly fem San Antonio to El Paso and Fort Yunas). Aunual cost. Au. Ecc'pts

El Faco, to Sen Francisco.

5. From Kannas, Mo., to Stockton, Cal., monthly.

6. From kt. Joseph, Mo., via Utah City, to Finceville, weekly service.

7. The gross annual disbursements of these six routes were thus \$2,184,797, and the receipts from them but \$389,747 for, showing a loss to the Department of \$1,844,949 66 per annum.

The expenditures for local mail service in the States of California and Oregon, and in Utah and Washington Territories, during the past year, amounted to \$548,697 13, which, being added to the cost of the routes named, gives a total of \$2,03,394 13. The population supplied by this enormous outlay does not exceed 650,060 scale—thus exhibiting a postal expenditure of about \$4 14 for each person, including all ages and conditions. The remaining \$19,271,092 29 of the gross annual disbursements of the Department furnish postal facilities for 30,060,000 of people, being in the proportion of less than 41 cents for each person. Were the inhabitants of the country east of the Rocky Mountains served by the Department at the same rate of expenditure with those on the west, it would re-

owire annually \$126,823,394 for its support, instead of the \$14,964,493 is now actually expended by it.

The Poetmaster goes on to state the particulars of the provisional nine contract made with Mr. Vanderbilt, who has applied for the conveyance of the mails, for the period named, at \$37,500 for those to and from New-York, and \$150,000 for those to and the \$150,500 for those to an annual gain, as compared with the precisiting contracts, of \$287,250. The contractor has also bound himself to transfer the mails to the Nicaraguan route as early as possible, thus escaping the onerous Panama Railroad tariff, with a saving of \$50,000 to the Department. The Tehnantepee route is in its present condition comparatively useless. The land portion of the transit across the isthmus—being upward of 100 miles in length—consists of an unpaved and imperfectly graded road, passing over a precipitous mountain, and barely practicable for wheeled vehicles, and in consequence a mail, made up of a few light sucks, is all that the contractors have carried, and all, it is presumed, that they have been able to carry since the commencement of the service. The Department was asked to continue the conveyance of the mails, via Tehnantepee, to Ventoso only, at an annual tompensation of \$280,000, which was the rate proposed by the ate contractors, but for the extension of the service to San Francisco, at the rate of \$560,000 was demanded. This proposal was not accepted because of the extravaguace of the compensati

The San Antonio and San Diego semi-monthly was,

master would have the funds supplied from the public Treasury, and not tax the postal revenue for a needless service.

The San Antonio and San Diego semi-monthly was, on the 29th day of October, 1858, improved to a weekly service between San Antonio and El Paso and El Paso and For Yuma, and the compensation was fixed at \$196,600. The product of the route during the past year, as already shown, was but \$601—10st to the Department at the rate of \$195,329 per annum. With this conclusive indication of its want of importance and value for postal purposes, I directed that the service should, on the 1st day of July last, be put on its original footing of a semi monthly mail, and reduced the allowance to the contractors to \$120,000. Whatever objects, political or otherwise, may have been contemplated by the Government in establishing this route through an almost unbroken wilderness and desert, it is clear that its continuance at the present rate of compensation is an injustice to the Department.

The great Overland mail service has been performed with great regularity, and generally within schedule time: but the contract has proved one of the heaviest burdens to which the Department has ever been subjected. With an expenditure at the rate of \$600,000 per annum, the postages received in return have not amounted to more than \$27,299.94, so that after making allowance for such increase as may be anticipated, the Department, at the expiration of six years for which the contract was entered into, will have lost from this route alone more than \$3,000,000. Feeling anxions to relieve, in some degree, the postal revenues from this exhausting drain, I proposed a reduction of the semi-weekly to a weekly service, which would have resulted in an annual saving, as compared with the present outlay, of \$150,000. The Attorney-General, however, determined that in consequence of the customary clause giving the Postmaster-General revisory-power over all mail contract, having been omitted in this, the desired curtailment could not be legal

letter. This service for \$25 miles between Westport and Santa Fé extended directly along the line of another route, the contractor for which carried, as is supposed, for some trifling compensation, this exceedingly light and unimportant mail, for the transportation of which, as shown, the Deportment was then paying at the rate of some \$80,000 per annum.

paying at the rate of some \$80,000 per annum.

The Independence, Salt Lake City, and Placerville mail was formerly a monthly service, but, in consequence of the threatened rebellion of the Mormon population, it was improved to a weekly mail at an annual compensation of \$320,000—the product being \$5,412 63. Tranquillity having been restored to that Territory, a reduction to a semi-monthly service was ordered to take place on the 30th June last, which, after making the most liberal allowance to the contractors, will save to the Department \$115,000 per annum.

annum.

The annual expenditure upon these Pacific routes has thus been diminished \$300,607. The \$1,276,000 still required for their support, on this improved basis, is very far beyond what an enlightened and just administration of the fluances of the Department would

ministration of the finances of the Department would warrant.

The Postmaster next pitches into the mail service between Havana, Charleston, and Savannah, which, for the last five years, has been performed semi-monthly by the steamship Isabel, at an annual compensation of \$50,000. The receipts from these mails amounted only to \$10,057 66, so that in June last, when the contract expired, the Postmaster did not renew it. Fortunately for the public interests, the approaching completion of the Florida Railroad enabled the Department to send these mails across the Peninsula from Fernandina to Cedar Keys, where they connect with the Galf mail steamers from New-Orleans, and proceed directly on, via Key West to Havana. The service out and returning is new regularly performed, and costs the Department only the inland and sea postages. The substitution, therefore, of this route for that of the Isabel is a saving to the Department of \$49,942 34 per annum.

The Department was upped by citizens of Charles.

The Department was urged by citizens of Charleston to extend the contract with the owner of the Isabel from commercial considerations, but did not feel justified in giving to such considerations, but did not feel justified in giving to such considerations the weight claimed for them. This large subsidy would certainly enable the owner of the Isabel to carry freight and passengers at reduced rates; but if there be any constitutional warrant for the Government's bestowing this advantage on the inhabitants of a single city, while it is denied to those of other cities, such advantage should be sought from the public Treasury, and most assuredly not at the hands of this Department.

I regret to be compelled to announce that no prog ress has been made toward the construction of either the New-York or Philadelphia Post-Offices. The site for the former has not been purchased or selected, and for the former has not been purchased or selected, and the unsuccessful efforts of my predecessor to that end have not been renewed by me, became of the depressed condition of the Treasury. The want of a suitable building for the Post-Offlice in our great commercial emporium is severely felt, alike by the public and by those concerned in the postal administration, and the hope is indulged that the existing embarrassments to the prosecution of the work will have an early termination.

The sale of certain property in Philadelphia, upon the terms designated by the act of March 3, 1859, is a condition precedent to any action for the erection of a post-office in that city. Further legislation is desired to enable the Department to proceed with the purchase of a site, and the erection of a suitable building.

The act of June 14, 1858, established 635 new post-

to enable the Department to proceed with the purchase of a site, and the eregion of a suitable building.

The act of June 14, 1858, established 635 new post-routes, but made no provision for their support. It has been estimated that to put these and the St Paul and Puget Sound route into operation would require, annually, upward of \$690,000, beside the postal receipts therefrom. In the absence of the necessary means, and with a conviction that to the undue expansion of the service on unproductive routes like these is mainly due the heavy pecuniary burdens that now press upon and disable it. I have not hesitated to postpone to a more propitious day the action on the part of the Department which this act contemplates. It is not believed hat any serious inconvenience will be experienced by the country in consequence of this delay.

Without entering into the details of the delinquencies and depredations alleged to have occurred in connection with the postal service during the past year, it may suffice to state that its moral aspects are still unsatisfactory. Every possible effort has been made for improvement in that direction, and these efforts will be continued without relaxation for the future. The public have given their complete confidence to this Department, and have intrusted, not merely their treasures, but their most secret and sacred revelations, to the keeping of its honor. They have a right to demand

that it shall prove itself worthy of this confidence, and that this high trust shall neither be accest ted nor administered by onclean hands. A well-directed vigilance has already accomplished much, and may accomplish much more hereafter, for the suppression of abuses—but I am thoroughly persuaded that the chief reliance—but as safety of the mails must be found in the irreproachable personal probity of those charged with their transportation and delivery.

In regard to Foreign mail service, the report sums up as follows:

proachable personal probity of those charges a manuferna portation and delivery.

In regard to Foreign mail service, the report sums up as follows:

The aggregate amount of postage (sea, inland, and foreign) on mails conveyed to and from Europe by the several lines of mail steamers employed by this Department, was \$484,668 54; and by the British packets of the Cunard line, performing an equal number of trips, \$805,629 64. The North German Lloyd, and Hamburg lines of mail packets, also conveyed mails to and from Bremet and Hamburg, respectively, the postages on which amounted to \$48,151 71, making the total postages on United States and European mails, conveyed by all lines during the year, \$1,338,449 89.

The cost of the transatlantic service performed by steamships employed by this Department, under the provisions of the act of June 4, 1853—which limits the compensation to the United States postage, sea and inland, when the conveyance is by American steamers, and to the sea postage when by foreign steamers, and to the sea postage when by foreign steamers—was \$324,610 62; twenty-six round trips and twenty-six and a half trips by foreign steamships, at \$195,349 53, averaging \$4,731 17 per round trip; and twenty-six and a half trips by foreign steamships, at \$195,349 53, averaging \$4,731 17 per round trip. Of the latter trips, four and a half were run by the Canadian line of steamers between Portland and Liverpool. This line is hereafter to run weekly, Portland being the terminus on this side during the Winter, and Quebec during the Summer season; and in connection with the Grand Trunk Railway, over the Victoria Hr dge at Mostreal, now completed, it will afford the means of the most direct, and probably the most expeditions communication between Chicago and Liverpool. Arrangements have been made with the Canadian Post-Office Department to transport, for the sea postage any mails it may be deairable to send by this line; and, in order to give them as much expedition as possible, it is intended to have Chicago and

In this connection, I feel it my duty to re

Balance due Great Britain on adjustment of account for the year ending June 30, 1859.

Balance to France.

Balance due to France.

Balance due to Hamburg. 87,232 24 15,546 43 8,909 31 #262,286 89 Total.....

The amount paid Great Britain for sea and territorial transit on closed mails conveyed through the United Kingdom was \$125,979 784, and the amount received from Great Britain on British closed mails in transit cough the United States was \$57,474 91. The negotiations, which were temporarily sus-ended, having in view the reduction of the rates of

pended, having in view the reduction of the rates of postage upon letters and upon printed matter between this country and Great Britain, have been renewed, but, I regret to say, without any encouraging result. The theory of the Post-Office organization is that it shall be self-sustaining. In 1836 Congress provided that "the aggregate sum required for the service of the "Post-Office Department in each year shall be appropriated by law out of the revenue of the Department." priated by law out of the revenues of the Depart-ment." This is still the existing law, and a more emphatic declaration that the self-supporting principle on which the Department has been previously conduc-ted should be continued, could not have been made. In 1790—the first year of the new Government in which the financial status of the Department is brought to our notice—its revenues exceeded its disbursements by \$5,255. From that time up to 1838—with occasional and slight exceptions, occurring at remote intervals— and slight exceptions, occurring at remote intervals— an excess of receipts was constantly exhibited. At the period last named, in consequence of a too rapid expan-sion of the service, and the substitution of costly railroad transportation upon many of the old and bisherto comparatively cheap routes, there was manifested the comparatively cheap routes, there was manifested the next tendency, however, was not decided, nor did it lead to any alarming results. The defleit was small, and during several of the years intervening between 1838 and 1846 was fully recovered from. Afterward came the acts of 1845 and 1851, whereby the rates of postage were reduced, and the receipts of the Department, in consequence, suddenly diminished upward of two millions of dollars per annum. The introduction, too, of the telegraph, as a medium of social and commercial intercourse, began at this time in a marked manner to divert from the mails the public and private correspondence of the country. This diversion has continued to enlarge, until it may be safely estimated that the annual loss to the Department from this source alone, cannot now be less than \$1,00,000. Under the influence of this abrupt and rapid decline in its revenues, and of the pressure of a course of legislation which continued from year to year to establish vast numbers of extended, costly, and unproductive routes, added to the importunate and incessant demand on the part of the Ecountry for the improvement as well as extension of restel for costly, and unproductive routes, added to the importunate and incessant demand on the part of the country
for the improvement as well as extension of postal facilities, the Department was gradually led away from
the principles to which it had previously inflexibly adhered, so that in 1858 its expenditure exceeded its receips by \$5,235,677 15. For the year ending June 30,
1859, this excess amounted to \$5,996,609 26. This unfortunate condition of things has involved the Department in imputations of extravagance and mismanagement, as diparaging as they have been undeserved.

The Postmaster says that by the system of retrenchment set forth in the report, he has effected the following saving:

forms.

Discontinuance of special and route agents, passengers, &c.

Withdrawal of extra allowance to Portunaters.....

In but two of the States—South Carolina and Floritz—has the cost of the service been increased. It was at the lowest points in these States, and in consequence, on the occasion of the lettings in April last, this improvement, smounting to \$5,633, was allowed. The heaviest reduction—\$125,600—was made in Missouri, in which State the postal expenditures for the tast year were \$727,690 97, and the receipts but \$227,807 63—showing a loss of \$190,214 34. The next argest cartailment, \$34,621, was in Texas, in which, with a postal revenue of but \$100,597 35, the outlay for the service for the year ending June 30, was \$723,380—exhibiting an excess of expenditure of \$622,—83 09. In Louisiann the reduction was \$75,379—the excess of expenditure over receipts having reached in

excess of expenditure over receipts having reached in that State the past year \$321,315 87.

In making these reductions he says: No ground at all doubtful has been occupied, and no step taken which was not fully warranted by law and by the express written engagements of the parties concerned.

Whatever actual loss, therefore, may, in a few iso lated cases, have been suffered, no legal claim for in demnification exists, and should any such be presented and allowed by Congress, they should be paid from

Internation among the measures proposed by the Postmater for a further reduction of the expenses of the Department is the abolition of the Pranking Privilege. Upon this point, he says: It is, of course, notinceded to ascert that the correspondence of the Government should be transmitted at the personal charge of its functionaries, but only that the cost of conveying such correspondence, when passing through the malls, should be drary and from the National Treasury. There is no more reason why the Fost Office Department, through its contractors, should perform this service grantificately for the Government, and afteres, without compensation. What shall be the character and amount of written or printed documents forwarded on behalf of the Government, and under what safeguards against abuse, are questions whose solution belongs exclusively to Congress, and which it is not my uniform the proposition that whether the written and printed matter be great or small, if it be dispatched in the name and in the interest of the Government and by its sgents accredited for the purpose, it should be charged with precisely the same rates of postage to which it would have been subjected had it been forwarded by private citizens. The franking privilege a accredited to various officers of the Covernment, and the beginning and still an anomaly in the result of the transportation of "free matter." This is not, in the language or spirit of the act of 1836, a prevision made for the support of the part of the proposition of the transportation have ropolly increased which the distribution of the government, which is a post of the proposition of

officials, written in violation of law, not by themselves, but by some real or pretended agent—while whole sacks of similar matter, which have never been handled nor seen by Government functionaries, are fransported under franks which have been forged. The extreme difficulty of detecting such forgeries has greatly multiplied this class of offenses, while their prevalence has so deadened the public sentiment in reference to them that a conviction, however ample the proof, is scarcely possible to be obtained.

The Postmaster urges further that the restoration of the Department to its original independence cannot be accomplished without the adoption of another measure of justice—that of charging on the public treasury all routes not strictly postal. In support of this proposition he presents a table, showing that \$600,000 paid annually for carrying a few sacks of letters from the Valley of the Mississippi, via El Paso, through a waste and uninhabited country, would defray the aggregate cost of mail transportation, including route agents, local agents, and messengers, in the States of Kentucky, Tennessee and North Carolina. The post-office at Sait Lake City yields a revenue of but \$700, and yet to connect that office with the Valley of the Mississippi and the Pacific this Department expended during the past year \$320,000. It will be observed that the annual loss from the six routes mentioned above is \$1.178,629 05. The ocean mail service to California, heretofore on the Treasury, except the cost of transit on the Panama Railroad, is now a charge on the Department, and under the present advantageous contract will result in a loss during the current year of at least \$51,027 31. This, added to the \$1,178,629 05 will exhibit a total loss for these seven routes, of \$1,229,756 36—a sum sufficient to pay the entire expense of transporting the mails and the salaries of route and local agents and messengers in the States of Maryland, Pennsylvania and New-York. It would improve the postal accilities in all our cities, towns

Annual retremehment from outsilments already made—less \$25,250, of the \$55,250 aved on renewal of contract for occur service to California — which \$207,250 alwing been payable out of the Treasury, the gain inures to it instead of to the Treasury, the gain inures to it instead of to the Statis revenue.

Bevenue from Government postages, on shollion of frenking privilege, estimated at ... 1,000,000 co. Reduction of cost of radiosal transportation ... 1,006,500 co. Psyment by Government on routes non-pestal ... 1,229,756 35

This aggregate of \$5,653 505 36, deducted from the deficiency of 30th June, leaves a deficit of \$1,344,473,90, which the gradual increase of receipts and the curtainnest still practicable would overcome in a few years, and the Department be thus restored to complete in-

and the Department be thus recovered to dependence.

There are those who propose, as a substitute for these just and salutary reforms, an increase of the existing rates of postage. To this, I am well persuaded, the popular judgment is decidedly opposed, and this opposition rests mainly upon the conviction that if the Post-Office Department were justly dealt by, it could